



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: December 2, 2009

FR: Deputy Executive Director, Policy

W. I. 1514

RE: Contract – Transit Performance Monitoring Program for FY 2009-10 through FY 2011-12:  
Mundle & Associates, Inc.

### **Summary**

Staff recommends that this Committee authorize a contract with Mundle & Associates, Inc. for \$650,000 to:

- Conduct TDA performance audits of MTC and the Bay Area transit operators over a three-year period;
- Conduct RM2 Operating Performance Reviews of all RM2 Operating Projects over a three-year period;
- Perform other performance review professional services, as needed.

### **Background**

#### Transportation Development Act (TDA) Triennial Audits

California Public Utilities Code Section 99246 requires that transportation planning agencies, such as MTC, designate independent entities to conduct performance audits of their activities and of the activities of each transit operator to whom they allocate funds under Article 4 of the Transportation Development Act (TDA). The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited. Over the three-year period of the contract, MTC and all operators to whom MTC allocates TDA funds will be audited.

#### Regional Measure 2 Program Performance and other Performance Reviews

The consultant will conduct a performance measure analysis of transit operations projects that are identified in the Regional Traffic Relief Plan of Regional Measure 2 and may be directed, on an as-needed basis, to assist in peer group performance and/or cost comparison; best practice review and synthesis for transit efficiency; independent assessment of transit costs and review of current standards, goals, and objectives; recommendations on region-wide performance metrics; or recommendations on specific projects or progress in implementing Productivity Improvement Program Projects.

### **Selection Process**

A Request for Proposals (RFP) was posted on November 2, 2009. We received two (2) proposals in response to the RFP from the following firms:

- Moore & Associates, Valencia, CA
- Mundle & Associates, Philadelphia, PA

A review panel of two MTC staff and three transit agency representatives evaluated the proposals based upon the following evaluation criteria specified in the RFP:

- Individual project staff and firm qualifications and experience with performance audits, particularly transportation agency audits, public transit, transportation planning, and the issues and functional area(s) to be analyzed;
- Understanding of the purpose and requirements of the project and approach to conducting and completing the project, including but not limited to: proposed work plans and schedules; strategy for managing resources, including subcontractors' personnel and project output; and approach to dealing with project challenges or obstacles;
- Resource allocation (personnel and expenditures), in terms of quality and quantity, to key tasks, including the hours and appropriateness of personnel assigned to each task;
- Cost effectiveness; and
- Writing ability.

The panel found that the proposal submitted by Mundle was well researched and demonstrated a superior mastery of the legislation and supplemental policies and procedures that provide the mandates and framework for each task. The proposal was superior to Moore's proposal in providing precise work plans for each defined task and proposing various approaches to assisting MTC with understanding recent trends in transit delivery throughout the U.S. that may be applicable to the Bay Area. Each Mundle project staff member has over 10 years of experience auditing and consulting for transit properties within the Bay Area and throughout the nation, and the team has been working together for over 10 years; while Moore's team leader is very experienced, the team doesn't have comparable depth of experience, either individually or together, as Mundle. Both proposals stayed in budget and were well-written. Because of the significant advantages offered by Mundle relative to the evaluation criteria, the panel elected to recommend Mundle & Associates, Inc. without holding interviews.

The proposed budget for the contract, subject to future years' budget allocations, allots \$185,000 for the TDA audits (\$65,000 for the first year, and \$60,000 for the next two years); \$165,000 for the RM2 Operating Reviews (\$55,000 per year); and \$300,000 for other professional review services and analyses (\$110,000 for FY 2009-10 and the remainder in FY 2010-11 and FY 2011-12.)

### **Recommendation**

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a three-year contract with Mundle & Associates, Inc. for services related to MTC's transit performance monitoring program in an amount not to exceed \$650,000, subject to the agency's budget approval process.

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Ann Flemer

AF: CV

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## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Consultant Contract

Work Item No.:	1514
Consultant:	Mundle & Associates, Philadelphia, PA
Work Project Title:	MTC Transit Performance Monitoring Program
Purpose of Project:	1) Transportation Development Act compliance under (PUC § 99246); and 2) Regional Measure 2 compliance under Sections 30914(c) & (d) of the California Streets and Highways Code
Brief Scope of Work:	Task 1 Triennial Audit of MTC and of the Transit Operators. Task 2 Regional Measure 2 Operating Program Performance Review. Task 3 Other Performance Review Professional Services, as needed.
Project Cost Not to Exceed:	\$650,000
Funding Source:	TDA = \$485,000 RM2 = \$165,000
Fiscal Impact:	TDA: In MTC's FY 2009-10 budget at \$65,000 for audits to be conducted during FY 2009-10; will require budgeting \$60,000 each in FY 2010-11 and in FY 2011-12 for the audits to be conducted in those fiscal years;  RM2: In MTC's FY 2009-10 budget at \$55,000 for audits to be conducted during FY 2009-10; will require budgeting \$55,000 each in FY 2010-11 and in FY 2011-12 for the audits to be conducted in those fiscal years.  As needed performance review services (also TDA funded): \$110,000 in FY 2009-10 budget; future years will require yearly budgeting.
Motion by Committee:	That the Executive Director or his designee is authorized to execute a contract with Mundle & Associates, Inc. for the MTC Transit Performance Monitoring Program, and the Chief Financial Officer is directed to set aside funds in FY 2009-10 up to \$230,000 for such contract, with the remaining contract funding to be distributed over FY 2010-11 and FY 2011-12 (subject to future year's budgetary approval processes) for a total amount not to exceed \$650,000.
Administration Committee:	<hr/> Dave Cortese, Vice Chair
Approval Date:	December 16, 2009